

## BYLAWS OF

a California Nonprofit Mutual Benefit Corporation

### ARTICLE I

#### NAME

The name of this corporation is

**WILSHIRE CENTER BUSINESS IMPROVEMENT CORPORATION**

### ARTICLE II

#### OFFICES

##### SECTION 2.01. PRINCIPAL OFFICE

The principal office for the transaction of the activities and affairs of the corporation ("principal office") is located at Los Angeles County, California. The Board of Directors ("The Board") may change the principal office from one location to another. Any change of location of the principal office shall be noted by the Secretary on these Bylaws opposite this section, or this section may be amended to state the new location.

### ARTICLE III

#### PURPOSES AND LIMITATIONS

##### SECTION 3.01. PURPOSES

This corporation is a nonprofit mutual benefit corporation organized under the California Nonprofit Mutual Benefit Corporation Law. The purpose of this corporation is to engage in any lawful act or activity for which a corporation may be organized under such law. Such purposes for which this corporation is formed are to improve the general business climate and the economic interests of the many businesses that are located in the Wilshire Center area of Los Angeles, California. This corporation is organized exclusively for such purposes within the meaning of Section 501(c)(6) of the Internal Revenue Code of 1986. Notwithstanding any other provision of these Bylaws, this corporation shall not, except to an insubstantial degree carry on or engage in any activities or exercise any powers that are not in furtherance of the purposes of this corporation, and the corporation shall not carry on any other activities not permitted to be carried on by a corporation exempt from Federal income tax under Section 501(c)(6) of the Internal Revenue Code of 1986 (or the corresponding provision of any future United States Internal Revenue Law).

## SECTION 3.02. LIMITATIONS

(a) Political activity. No substantial part of the activities of this corporation shall consist of carrying on propaganda, or otherwise attempting to influence legislation, and this corporation shall not participate in or intervene in, including the publishing or distributing of statements in connection with, any political campaign on behalf of any candidate for public office.

(b) Property. The property, assets, profits and net income are dedicated irrevocably to the purpose set forth in Section 3.01 above. No part of the profits or net earnings of this corporation shall ever inure to the benefit of any of its Directors, trustees, officers, members, employees, or to the benefit of any private individual.

(c) Dissolution. Upon the winding up and dissolution of this corporation, after paying or adequately providing for the payment of the debts, obligations and liabilities of the corporation, the remaining assets of this corporation shall be distributed to a nonprofit fund, foundation or corporation which is organized and operated exclusively for improving business conditions and which has established its tax-exempt status under Section 501 (c)(6) of the Internal Revenue Code of 1986 (or the corresponding provision of any future United States Internal Revenue Law.)

## ARTICLE IV

### MEMBERS

#### SECTION 4.01. DETERMINATION AND RIGHTS OF MEMBERS

The corporation shall have only one class of members. No member shall hold more than one membership in the corporation. Except as expressly provided in or authorized by the Articles of Incorporation or Bylaws of this corporation, all memberships shall have the same rights, privileges, restrictions and conditions.

#### SECTION 4.02. QUALIFICATIONS OF MEMBERS

The qualifications for membership in this corporation are as follows: A business that is assessed by the Wilshire Center Business Improvement District (WCBID) of the City of Los Angeles. If a business is sold, transferred or otherwise disposed of, the new owners of the business may qualify for membership based upon the prior owner's payment of the assessment for the then current year.

#### SECTION 4.03. ADMISSION OF MEMBERS

Applicants shall be admitted to membership on making application therefor in writing and upon payment of the assessment to the City of Los Angeles as required by the WCBID. No

applicant meeting these requirements shall be denied admission into the Corporation.

#### SECTION 4.04. FEES, DUES AND ASSESSMENTS

(a) The following fee shall be charged for making application for membership in the corporation: None.

(b) The annual dues payable to the corporation by members shall be None.

(c) Memberships shall be nonassessable.

#### SECTION 4.05. NUMBER OF MEMBERS

There is no limit on the number of members the corporation may admit.

#### SECTION 4.06. MEMBERSHIP BOOK

The corporation shall keep a membership book containing the name and address of each member. Termination of the membership of any member shall be recorded in the book, together with the date of termination of such membership. Such book shall be kept at the corporation's principal office and shall be available for inspection by any director or member of the corporation during regular business hours.

The record of names and addresses of the members of this corporation shall constitute the membership list of this corporation and shall not be used, in whole or part, by any person for any purpose not reasonably related to a member's interest as a member or as authorized by the Board of Directors.

#### SECTION 4.07. NONLIABILITY OF MEMBERS

A member of this corporation is not, as such, personally liable for the debts, liabilities, or obligations of the corporation.

#### SECTION 4.08. NONTRANSFERABILITY OF MEMBERSHIPS

No member may transfer a membership or any right arising therefrom. All rights of membership cease upon the member's sale, transfer or disposal of the business which is the basis for assessment by the WCBID.

#### SECTION 4.09. TERMINATION OF MEMBERSHIP

(a) Grounds for Termination. The membership of a member shall terminate upon the occurrence of any of the following events:

(1) Upon a member's notice of intent to resign its membership delivered to the President or Secretary of the corporation personally or by mail, such membership shall terminate upon the date of delivery of the notice or date of deposit in the mail.

(2) Upon a failure to renew its membership by paying the WCBID assessment on or before its due date, such termination to be effective thirty (30) days after a written notification of delinquency is given personally or mailed to such member by the corporation. A member may avoid such termination by paying the amount of delinquent assessment to the City within a thirty (30)-day period following the member's receipt of the written notification of delinquency.

#### SECTION 4.10. RIGHTS ON TERMINATION OF MEMBERSHIP

All rights of a member in the corporation shall cease on termination of membership as herein provided.

#### SECTION 4.11. AMENDMENTS RESULTING IN THE TERMINATION OF MEMBERSHIPS

Notwithstanding any other provision of these Bylaws, if any amendment of the Articles of Incorporation or of the Bylaws of this corporation would result in the termination of all memberships or any class of memberships, then such amendment or amendments shall be effected only in accordance with the provisions of the California Nonprofit Mutual Benefit Corporation Law.

#### SECTION 4.12. PLACE OF MEETINGS

Meetings of members shall be held at the principal office of the corporation or at such other place or places within the State of California, County of Los Angeles, as may be designated from time to time by resolution of the Board of Directors.

#### SECTION 4.13. ANNUAL AND OTHER REGULAR MEETINGS

The members shall meet annually on the first Wednesday of August in each year for the purpose of electing directors and transacting such other business as may come before the meeting. Cumulative voting for the election of directors shall not be permitted. The candidates receiving the highest number of votes up to the number of directors to be elected shall be elected. Each voting member shall cast one vote for each \$100.00 of assessment paid to the WCBID, with voting being by ballot only. The annual meeting of members for the purpose of electing directors shall be deemed a regular meeting and any reference in these Bylaws to regular meetings of members refers to this annual meeting.

Other meetings of the members shall be held as determined by the Board of Directors.

If the day fixed for the annual meeting or other regular meetings falls on a legal holiday,



such meeting shall be held at the same hour and place on the next business day.

#### SECTION 4.14. SPECIAL MEETINGS OF MEMBERS

(a) Persons Who May Call Special Meetings of Members. Special meetings of the members shall be called by the Board of Directors, the Chairperson of the Board, or the President of the corporation. In addition, special meetings of the members for any lawful purpose may be called by five percent (5%) or more of the members.

#### SECTION 4.15. NOTICE OF MEETINGS

(a) Time of Notice. Whenever members are required or permitted to take action at a meeting, a written notice of the meeting shall be given by the Secretary of the corporation not less than ten (10) nor more than ninety (90) days before the date of the meeting to each member who, on the record date for the notice of the meeting, is entitled to vote thereat.

(b) Manner of Giving Notice. Notice of a members' meeting or any report shall be given either personally or by mail or other means of written communication, addressed to the member at the address of such member appearing on the books of the corporation or given by the member to the corporation for the purpose of notice; or if no address appears or is given, at the place where the principal office of the corporation is located or by publication of notice of the meeting at least once in a newspaper of general circulation in the county in which the principal office is located. Notice shall be deemed to have been given at the time when delivered personally or deposited in the mail or sent by telegram or other means of written communication.

(c) Contents of Notice. Notice of a membership meeting shall state the place, date, and time of the meeting and (1) in the case of a special meeting, the general nature of the business to be transacted, and no other business may be transacted, or (2) in the case of a regular meeting, those matters which the Board, at the time notice is given, intends to present for action by the members. Subject to any provision to the contrary contained in these Bylaws, however, any proper matter may be presented at a regular or special meeting for such action. The notice of any meeting of members at which directors are to be elected shall include the names of all those who are nominees at the time notice is given to members.

(d) Notice of Meetings Called by Members. If a special meeting is called by members as authorized by these Bylaws, the request for the meeting shall be submitted in writing, specifying the general nature of the business proposed to be transacted and shall be delivered personally or sent by registered mail or by telegraph to the Chairperson of the Board, President, Vice President or Secretary of the corporation. The officer receiving the request shall promptly cause notice to be given to the members entitled to vote that a meeting will be held, stating the date of the meeting. The date for such meeting shall be fixed by the Board and shall not be less than ten (10) nor more than ninety (90) days after the receipt of the request for the meeting by the

officer. If the notice is not given within twenty (20) days after the receipt of the request, members calling the meeting may give the notice themselves.

(e) Waiver of Notice of Meetings. The transactions of any meeting of members, however called and noticed, and wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice, if a quorum is present either in person or by proxy, and if, either before or after the meeting, each of the members entitled to vote, not present in person or by proxy, signs a written waiver of notice or a consent to the holding of the meeting or an approval of the minutes thereof. All such waivers, consents and approvals shall be filed with the corporate records or made a part of the minutes of the meeting. Waiver of notices or consents need not specify either the business to be transacted or the purpose of any regular or special meeting of members, except that if action is taken or proposed to be taken for approval of any of the matters specified in subparagraph (f) of this section, the waiver of notice or consent shall state the general nature of the proposal.

(f) Special Notice Rules for Approving Certain Proposals. If action is proposed to be taken or is taken with respect to the following proposals, such action shall be invalid unless unanimously approved by those entitled to vote or unless the general nature of the proposal is stated in the notice of meeting or in any written waiver of notice:

1. Removal of directors without cause;
2. Filling of vacancies on the Board by members;
3. Amending the Articles of Incorporation; and
4. An election to voluntarily wind down and dissolve the corporation.

#### SECTION 4.16. QUORUM FOR MEETINGS

A quorum shall consist of ten (10) of the voting members of the corporation.

The members present at a duly called and held meeting at which a quorum is initially present may continue to do business notwithstanding the loss of a quorum at the meeting due to a withdrawal of members from the meeting provided that any action taken after the loss of a quorum must be approved by at least a majority of the members required to constitute a quorum.

In the absence of a quorum, any meeting of the members may be adjourned from time to time by the vote of a majority of the votes represented in person or by proxy at the meeting, but no other business shall be transacted at such meeting.

When a meeting is adjourned for lack of a sufficient number of members at the meeting or otherwise, it shall not be necessary to give any notice of the time and place of the adjourned meeting or of the business to be transacted at such meeting other than by announcement at the

meeting at which the adjournment is taken of the time and place of the adjourned meeting. However, if after the adjournment a new record date is fixed for notice or voting, a notice of the adjourned meeting shall be given to each member who, on the record date for notice of the meeting, is entitled to vote at the meeting. A meeting shall not be adjourned for more than forty-five (45) days.

Notwithstanding any other provision of this Article, if this corporation authorizes members to conduct a meeting with a quorum of less than one-third (1/3) of the voting power, then, if less than one-third (1/3) of the voting power actually attends a regular meeting, in person or by proxy, then no action may be taken on a matter unless the general nature of the matter was stated in the notice of the regular meeting.

#### SECTION 4.17. MAJORITY ACTION AS MEMBERSHIP ACTION

Every act or decision done or made by a majority of voting members present in person or by proxy at a duly held meeting at which a quorum is present is the act of the members, unless the law, the Articles of Incorporation of this corporation, or these Bylaws require a greater number.

#### SECTION 4.18. VOTING RIGHTS

Each member is entitled to one vote for each \$100.00 of assessment paid to the WCBID on each matter submitted to a vote by the members. Voting at duly held meetings may be by voice vote. Election of Directors, however, shall be by ballot.

#### SECTION 4.19. PROXY VOTING

Members entitled to vote shall be permitted to vote or act by proxy. If membership voting by proxy is not allowed by the preceding sentence, no provision in this or other sections of these Bylaws referring to proxy voting shall be construed to permit any member to vote or act by proxy.

Members entitled to vote shall have the right to vote either in person or by a written proxy executed by such person or by his or her duly authorized agent and filed with the Secretary of the corporation, provided, however, that no proxy shall be valid after eleven (11) months from the date of its execution unless otherwise provided in the proxy. In any case, however, the maximum term of any proxy shall be three (3) years from the date of its execution. No proxy shall be irrevocable and may be revoked following the procedures given in Section 5613 of the California Nonprofit Public Benefit Corporation Law.

All proxies shall state the general nature of the matter to be voted on and, in the case of a proxy given to vote for the election of directors, shall list those persons who were nominees at the time the notice of the vote for election of directors was given to the members. In any election of directors, any proxy which is marked by a member "withhold" or otherwise marked in a manner indicating that the authority to vote for the election of directors is withheld shall not be



voted either for or against the election of a director.

Proxies shall afford an opportunity for the member to specify a choice between approval and disapproval for each matter or group of related matters intended, at the time the proxy is distributed, to be acted upon at the meeting for which the proxy is solicited. The proxy shall also provide that when the person solicited specifies a choice with respect to any such matter, the vote shall be cast in accordance therewith.

#### SECTION 4.20. CONDUCT OF MEETINGS

Meetings of members shall be presided over by the Chairperson of the Board, or, if there is no Chairperson, by the President of the corporation or, in his or her absence, by the Vice President of the corporation or, in the absence of all of these persons, by a Chairperson chosen by a majority of the voting members, present in person or by proxy. The Secretary of the corporation shall act as Secretary of all meetings of members, provided that, in his or her absence, the presiding officer shall appoint another person to act as Secretary of the Meeting.

Meetings shall be governed by Robert's Rules of Order, as such rules may be revised from time to time, insofar as such rules are not inconsistent with or in conflict with these Bylaws, with the Articles of Incorporation of this corporation, or with any provision of law.

#### SECTION 4.21. ACTION BY WRITTEN BALLOT WITHOUT A MEETING

Any action which may be taken at any regular or special meeting of members may be taken without a meeting if the corporation distributes a written ballot to each member entitled to vote on the matter. The ballot shall set forth the proposed action, provide an opportunity to specify approval or disapproval of each proposal, provide that where the person solicited specifies a choice with respect to any such proposal the vote shall be cast in accordance therewith, and provide a reasonable time within which to return the ballot to the corporation. Ballots shall be mailed or delivered in the manner required for giving notice of meetings specified in Section 4(b) of this Article.

All written ballots shall also indicate the number of responses needed to meet the quorum requirement and, except for ballots soliciting votes for the election of directors, shall state the percentage of approvals necessary to pass the measure submitted. The ballots must specify the time by which they must be received by the corporation in order to be counted.

Approval of action by written ballot shall be valid only when the number of votes cast by ballot within the time period specified equals or exceeds the quorum required to be present at a meeting authorizing the action, and the number of approvals equals or exceeds the number of votes that would be required to approve the action at a meeting at which the total number of votes cast was the same as the number of votes cast by ballot.

Directors may be elected by written ballot. Such ballots for the election of directors shall



list the persons nominated at the time the ballots are mailed or delivered. If any such ballots are marked "withhold" or otherwise marked in a manner indicating that the authority to vote for the election of directors is withheld, they shall not be counted as votes either for or against the election of a director.

A written ballot may not be revoked after its receipt by the corporation or its deposit in the mail, whichever occurs first.

#### SECTION 4.22. NOMINATION AND ELECTION PROCEDURES

Upon the written request by any member for nomination for election to the Board and the payment with such request of the reasonable costs of mailing (including postage), such request and payment to be made at least thirty (30) days prior to the Annual Meeting, the corporation shall, within ten (10) business days after such request (provided payment has been made) mail to all members or such portion of them that the nominee may reasonably specify, any material which the nominee shall furnish and which is reasonably related to the election, unless the corporation within five (5) business days after the request allows the nominee, at the corporation's option, the right to do either of the following:

1. Inspect and copy the record of all members' names, addresses and voting rights, at reasonable times, upon five (5) business days' prior written demand upon the corporation, which demand shall state the purpose for which the inspection rights are requested; or
2. Obtain from the Secretary, upon written demand and payment of a reasonable charge, a list of the names, addresses and voting rights of those members entitled to vote for the election of directors, as of the most recent record date for which it has been compiled or as of any date specified by the nominee subsequent to the date of demand.

The demand shall state the purpose for which the list is requested and the membership list shall be made available on or before the later of ten (10) business days after the demand is received or after the date specified therein as the date as of which the list is to be compiled.

If the corporation distributes any written election material soliciting votes for any nominee for director at the corporation's expense, it shall make available, at the corporation's expense, to each other nominee, in or with the same material, the same amount of space that is provided any other nominee, with equal prominence, to be used by the nominee for a purpose reasonably related to the election.

Generally, any person who is qualified to be elected to the Board of Directors shall be nominated at the annual meeting of members held for the purpose of electing directors by any member present at the meeting in person or by proxy. However, if the corporation has five hundred (500) or more members, any of the additional nomination procedures of the California Nonprofit Mutual Benefit Corporation Law may be used to nominate persons for election to the Board of Directors.

#### SECTION 4.23. ACTION BY UNANIMOUS WRITTEN CONSENT WITHOUT MEETING

Except as otherwise provided in these Bylaws, any action required or permitted to be taken by the members may be taken without a meeting, if all members shall individually or collectively consent in writing to the action. The written consent or consents shall be filed with the minutes of the proceedings of the members. The action by written consent shall have the same force and effect as the unanimous vote of the members.

#### SECTION 4.24. RECORD DATE FOR MEETINGS

The record date for purposes of determining the members entitled to notice, voting rights, written ballot rights, or any other right with respect to a meeting of members or any other lawful membership action, shall be fixed pursuant to the California Nonprofit Mutual Benefit Corporation Law.

### ARTICLE V

#### DIRECTORS

##### SECTION 5.01. POWERS

(a) General corporate powers. Subject to the provisions and limitations of the California Nonprofit Mutual Benefit Corporation Law and any other applicable laws, and any limitations of the Articles of Incorporation and of these Bylaws, the activities and affairs of the corporation shall be managed, and all corporate powers shall be exercised, by or under the direction of the Board.

(b) Specific Powers. Without prejudice to these general powers, but subject to the same limitations, the Directors shall have the power to:

(i ) Appoint and remove, at the pleasure of the Board, all officers, agents and employees of the corporation; prescribe powers and duties for them that are consistent with the law, with the Articles of Incorporation and with these Bylaws.

(ii) Change the principal office or the principal business office in the State of California from one location to another.

(iii) Adopt and use a corporate seal and alter the form thereof..

(iv) Borrow money and incur indebtedness on behalf of the corporation and cause to be executed and delivered for the purpose of the corporation, in the corporate name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecations and other evidences of debt and securities.

Section 5.02. NUMBER AND SELECTION OF DIRECTORS  
AND RESTRICTIONS ON DIRECTORS

(a) Authorized number. The authorized number of directors shall be seven (7). Directors need not be residents of the State of California, but must be members or designated representatives of members.

(b) Selection. The Board shall be selected as follows:

(i) Initial Directors. The initial Board members shall be elected by the incorporator(s) named in the corporation's Articles of Incorporation and shall serve until the first Annual Meeting. Prior to the first Annual Meeting, the initial Board members may elect other Directors.

(ii) Subsequent Directors. At the expiration of the terms of office of the Directors, their successors shall be chosen by a majority vote of the members.

(iii) Vacancies. Vacancies on the Board shall be filled by majority vote of the remaining Board members or, if the remaining Board members do not constitute a quorum, then by unanimous vote of such remaining Board members.

c. Term. Except for the initial Directors, Directors shall be elected for a term of one (1) year, commencing immediately upon election at the Annual Meeting.

SECTION 5.03. VACANCIES

(a) Events causing vacancy. A vacancy or vacancies on the Board shall exist on the occurrence of the following: (i) the death, removal, suspension or resignation of any Director; or (ii) the declaration by resolution of the Board of a vacancy in the office of a Director who has been declared of unsound mind by an order of court or convicted of a felony or has been found by final order or judgment of any court to have breached a duty under Sections 7238 and following of the California Nonprofit Mutual Benefit Corporation Law.

(b) Resignations. Except as provided in this subsection, any Director may resign effective upon giving written notice to the Chairman of the Board, if any, or the President or the Secretary of the Board, unless such notice specifies a later time for the resignation to become effective.

(c) Notwithstanding the provisions of Sections 5.03.(a), a Director who is a designated representative of a member shall be replaced by written notice of such member.

SECTION 5.04. MEETINGS OF THE BOARD

The Board shall meet not less than two (2) times in each calendar year, one (1) of which may be simultaneously with the Annual Meeting.

## SECTION 5.05. QUORUM

A majority of the authorized number of Directors shall constitute a quorum for the transaction of business, except to adjourn as provided in section 5.07. Subject to the more stringent provisions of the California Nonprofit Mutual Benefit Corporation Law, including, without limitation, those provisions relating to (i) approval of contracts or transactions in which a Director has a direct or indirect material financial interest, (ii) approval of certain transactions between corporations having common directorship, (iii) creation of an appointment of committees of the Board and (iv) indemnification of Directors, every act or decision done or made by a majority of the Directors present at a meeting duly held at which a quorum is present shall be regarded as the act of the Board. A meeting at which a quorum is initially present may continue to transact business, notwithstanding the withdrawal of Directors, if any action taken is approved by at least a majority of the required quorum for that meeting.

## SECTION 5.06. WAIVER OF NOTICE

Notice of a meeting need not be given any Director who signs a waiver of notice or a written consent to holding the meeting or an approval of the minutes thereof, whether before or after the meeting. The waiver of notice or consent need not specify the purpose of the meeting. All such waivers, consents and approvals shall be filed with the corporate records or made a part of the minutes of the meetings. Notice of a meeting need not be given any Director who attends the meeting without protesting before or at its commencement the lack of notice to such Director.

## SECTION 5.07. ADJOURNMENT

A majority of the Directors present, whether or not a quorum is present, may adjourn any meeting to another time and place.

## SECTION 5.08. NOTICE OF ADJOURNED MEETING

Notice of the time and place of holding an adjourned meeting need not be given, unless the original meeting is adjourned for more than twenty-four (24) hours, in which case notice of any adjournment to another time and place shall be given before the time of the adjourned meeting to the Directors who were not present at the time of the adjournment.

## SECTION 5.09. ACTION WITHOUT MEETING

Any action required or permitted to be taken by the Board may be taken without a meeting, if all members of the Board consent in writing to that action. Such action by written consent shall have the same force and effect as any other validly approved action of the Board. Such written consent or consents shall be filed with the minutes of the proceedings of the Board. For the purposes of this Section 5.11 only, "all members of the Board" shall not include Directors who have a material financial interest in a transaction to which the corporation is a party.



ARTICLE VI  
COMMITTEES  
SECTION 6.01. COMMITTEES OF THE BOARD

The Board may create one or more committees, each consisting of two or more Directors, to serve at the pleasure of the Board. The Board may appoint one or more Directors as alternate members of any such committee, who may replace an absent member at any meeting. Any such committee, to the extent provided in the resolution of the Board, shall have all of the authority of the Board, except that no committee, regardless of Board resolution, may:

- (a) fill vacancies on the Board or in any committee which has the authority of the Board;
- (b) establish or fix compensation of the Directors for serving on the Board or on any committee;
- (c) amend or repeal Bylaws or adopt new Bylaws;
- (d) amend or repeal any resolution of the Board which by its express terms is not so amendable or repealable;
- (e) appoint any other committees of the Board or the members of these committees;
- (f) approve any contract or transaction to which the corporation is a party and in which one or more of its Directors has a material financial interest, except as such approval is provided for in Section 5233(d)(3) of the California Corporations Code.

SECTION 6.02. MEETINGS AND ACTIONS OF THE COMMITTEES

Meetings and action of committees of the Board shall be governed by, held and taken in accordance with the provisions of Article V of these Bylaws, concerning meetings and other action of the Board, except that the time for regular meetings of such committees and the calling of special meetings thereof may be determined either by resolution of the Board or, if there is no Board resolution, by resolution of the committee of the Board. Minutes shall be kept of each meeting of any committee of the Board and shall be filed with the corporate records. The Board may adopt rules for the government of any committee not inconsistent with the provisions of these Bylaws or in the absence of rules adopted by the Board, the committee may adopt such rules.

ARTICLE VII  
OFFICERS  
SECTION 7.01. OFFICERS

The officers of the corporation shall include a President/Chief Executive Officer, a Secretary, and a Treasurer/Chief Financial Officer. The corporation may also have, at the

Board's discretion, a Chairman of the Board, one or more Vice Presidents, one or more assistant Secretaries, one or more assistant Treasurers, and such other officers as may be appointed in accordance with Section 7.03 of these Bylaws. Any number of offices may be held by the same person, except that neither the Secretary nor the Chief Financial Officer may serve concurrently as either the President or the Chairman of the Board.

#### SECTION 7.02. ELECTION OF OFFICERS

The officers of the corporation, except those appointed in accordance with the provisions of Section 7.03 of this Article VII, shall be chosen by the Board of Directors, and each shall serve at the pleasure of the Board, subject to the rights, if any, of an officer under any contract of employment.

#### SECTION 7.03. OTHER OFFICERS

The Board may appoint and may authorize the Chairman of the Board or the President or another officer to appoint any other officers that the corporation may require, each of whom shall have the title, hold office for the period, have the authority and perform the duties specified in the Bylaws or determined from time to time by the Board.

#### SECTION 7.04. REMOVAL OF OFFICERS

Subject to the rights, if any, of an officer under any contract of employment, any officer may be removed, with or without cause, by the Board of Directors, or, except in case of an officer chosen by the Board of Directors, by an officer on whom such power of removal may be conferred by the Board of Directors.

#### SECTION 7.05. RESIGNATION OF OFFICERS

Any officer may resign upon written notice to the corporation without prejudice to the rights, if any, of the corporation under any contract to which the officer is a party.

#### SECTION 7.06. VACANCIES IN OFFICE

A vacancy occurring in any office because of death, resignation, removal or other cause, shall be filled in the manner prescribed in these Bylaws for regular appointments to that office.

#### SECTION 7.07. RESPONSIBILITIES OF OFFICERS

(a) Chairman of the Board. If a Chairman of the Board is elected, he or she shall preside at meetings of the Board and shall exercise and perform such other powers and duties as the Board may assign from time to time. If there is no President, the Chairman of the Board shall also be the Chief Executive Officer and shall have the powers and duties of the President of the corporation prescribed by these Bylaws.

(b) President/Chief Executive Officer. Subject to the control and supervision of the Board, the President shall be the Chief Executive Officer of the corporation and shall generally supervise, direct and control the activities and affairs and the officers of the corporation. The President, in the absence of the Chairman of the Board, or if there be none, shall preside at all meetings of the Board. The President shall have such other powers and duties as may be prescribed by the Board or these Bylaws.

(c) Vice Presidents. In the absence or disability of the President, the Vice Presidents, if any, in order of their rank, shall perform all of the duties of the President, and, when so acting, shall have all the powers of and be subject to all of the restrictions upon the President. The Vice Presidents shall share such other powers and perform such other duties as from time to time as may be prescribed for them by the Board or the Bylaws.

(d) Secretary.

(i) Book of minutes. The Secretary shall keep or cause to be kept, at the principal office or such other place as the Board may direct, a book of minutes of all meetings and actions of the Board and of committees of the Board. The Secretary shall also keep, or cause to be kept, at the principal office in the State of California, a copy of the Articles of Incorporation and Bylaws, as amended to date. If the corporation is one having members, the Secretary shall also maintain a complete and accurate record of the membership of the corporation, as well as a record of the proceedings of all meetings of the membership.

(ii) Notices, seal and other duties. The Secretary shall give, or cause to be given, notice of all meetings of the Board and of committees of the Board required by these Bylaws to be given. The Secretary shall keep the seal of the corporation in safe custody and shall have such other powers and perform such other duties as may be prescribed by the Board or the Bylaws.

(e) Treasurer/Chief Financial Officer.

(i) Books of account. The Treasurer/Chief Financial Officer of the corporation shall keep or maintain, or cause to be kept or maintained, adequate and correct books and accounts of the properties and transactions of the corporation, and shall send or cause to be sent to the Directors such financial statements and reports as are required by law or these Bylaws to be given. The books of account shall be open to inspection by any Director at all reasonable times.

(ii) Deposit and disbursement of money and valuables. The Chief Financial officer shall deposit all money and other valuables in the name and to the credit of the corporation with such depositories as may be designated by the Board, shall disburse the funds of the corporation as may be ordered by the Board, shall render to the President or Chairman of the Board, if any, when requested, an account of all transactions as Chief Financial Officer and of the financial condition of the corporation and shall have other powers and perform such other duties as may be prescribed by the Board or the Bylaws.

(iii) Bond. If required by the Board, the Chief Financial Officer shall give the corporation a bond in the amount and with the surety or sureties specified by the Board for faithful performance of the duties of the office and for restoration to the corporation of all its books, papers, vouchers, money and other property of every kind in the possession or under the control of the Chief Financial Officer upon death, resignation, retirement or removal from office.

## ARTICLE VIII INDEMNIFICATION AND INSURANCE SECTION 8.01. INDEMNIFICATION

(a) Right of Indemnity. To the full extent permitted by law, this corporation shall indemnify its Directors, officers, employees and other persons described in Section 7237(3) of the California Corporation Code, including persons formerly occupying any such position, against all expenses, judgments, fines, settlements and other amounts actually and reasonably incurred in connection with any "proceeding", as that term is used in such Section and including an action by or in the right of the corporation, by reason of the fact that such person is or was a person described by such Section. "Expenses", as used in this Bylaw, shall have the same meaning as in Section 7237(a) of the California Corporation Code.

(b) Approval of Indemnity. Upon written request to the Board by any person seeking indemnification under Section 7237(b) or Section 7237(c) of the California Corporation Code, the Board shall promptly determine in accordance with Section 7237(e) of the code whether the applicable standard of conduct set forth in Section 7237(b) or Section 7237(c) has been met and, if so, the Board shall authorize Indemnification. If the Board cannot authorize indemnification because the number of Directors who are parties to the proceeding with respect to which indemnification is sought is such as to prevent the formation of a quorum of Directors who are not parties to such proceeding, the Board or the attorney or other person rendering services in connection with the defense shall apply to the court in which such proceeding is or was pending to determine whether the applicable standard of conduct set forth in Section 7237(b) or Section 7237(c) has been met.

(c) Advancement of Expenses. To the full extent permitted by law except as is otherwise determined by the Board in a specific instance, expenses incurred by a person seeking indemnification under these Bylaws in defending any proceeding covered by these Bylaws shall be advanced by the corporation prior to the final disposition of the proceeding upon receipt by the corporation of an undertaking by or on behalf of such person that the advance will be repaid unless it is ultimately determined that such person is entitled to be indemnified by the corporation therefor.

## SECTION 8.02. INSURANCE

The corporation shall have the right to purchase and maintain insurance to the full extent permitted by law on behalf of its officers, Directors, employees and other agents of the corporation, against any liability asserted against or incurred by an officer, Director, employee



or agent in such capacity or arising out of the officer's, Director's, employee's or agent's status as such.

## ARTICLE IX RECORDS AND REPORTS

### SECTION 9.01. MAINTENANCE OF CORPORATE RECORDS

The corporation shall keep:

- (a) Adequate and correct books and records of account;
- (b) Minutes in written form of the proceedings of the Board and committees of the Board.
- (c) If applicable, a record of its members, giving their names and addresses and the class of membership held.

### SECTION 9.02. INSPECTION BY DIRECTORS

Every Director shall have the absolute right at any reasonable time to inspect all books, records and documents of every kind and the physical properties of the corporation and the records of each of its subsidiary corporations. This inspection by a Director may be made in person or by an agent or attorney, and the right of inspection includes the right to copy and make extracts of documents.

### SECTION 9.03. ANNUAL REPORT

Except as provided under Section 8321 of the California Corporations Code, not later than one hundred twenty (120) days after the close of the fiscal year of the corporation, the Board shall cause an annual report to be sent to all members of the Board. Such report shall contain the following information in reasonable detail:

- (i) The assets and liabilities, including the trust funds, of the corporation as of the end of the fiscal year.
- (ii) The principal changes in assets and liabilities, including trust funds, during the fiscal year.
- (iii) The revenue or receipts of the corporation, both unrestricted and restricted to particular purposes, for the fiscal year.
- (iv) The expenses or disbursements of the corporation, for both general and restricted purposes, during the fiscal year.

- (v) Any information required by Section 9.04.

#### SECTION 9.04. ANNUAL STATEMENT OF CERTAIN TRANSACTIONS AND INDEMNIFICATIONS

The corporation shall prepare annually and furnish to each director a statement of any transaction or indemnification of the following kind within one hundred twenty (120) days after the close of the fiscal year of the corporation:

(a) Any transaction to which the corporation, its parent or its subsidiary was a party, and in which any Director or officer of the corporation, its parent or subsidiary (but mere common director-ship shall not be considered such an interest) had a direct or indirect material financial interest, if such transaction involved over ten thousand dollars (\$10,000), or was one of a number of transactions with the same person involving, in the aggregate, over ten thousand dollars (\$10,000).

(b) Any indemnifications or advances aggregating more than ten thousand dollars (\$10,000) paid during the fiscal year to any officer or Director of the corporation pursuant to Section 8.01 hereof.

The statement shall include a brief description of the transaction, the names of the Director(s) or officer(s) involved, their relationship to the corporation, the nature of such person's interest in the transaction and, where practicable, the amount of such interest; provided, that in the case of a partnership in which such person is a partner, only the interest of the partnership need be stated.

#### ARTICLE X CONSTRUCTION AND DEFINITIONS

Unless the context otherwise requires, the general provisions, rules of construction and definitions in the California Nonprofit Mutual Benefit Corporation Law shall govern the construction of these Bylaws. Without limiting the generality of the above, the masculine gender includes the feminine and neuter, the singular includes the plural and the plural includes the singular and the term "person" includes both a legal entity and a natural person.

#### ARTICLE XI AMENDMENTS SECTION 11.01. ACTION BY THE BOARD

The Bylaws may be amended or repealed and new Bylaws may be adopted by a majority vote of the Board.

#### SECTION 11.02. LIMITATIONS ON AMENDMENT OF BYLAWS

Where any provision of these Bylaws requires the vote of a larger proportion of the Directors than otherwise is required by law, such provision may not be altered, amended or repealed except by the vote of such greater number. No amendment may extend the term of a Director beyond that for which such Director was elected.

#### SECTION 11.03. MAINTENANCE OF RECORDS

The Secretary of the corporation shall see that a true and correct copy of all amendments of the Bylaws, duly certified by the Secretary, is attached to the official Bylaws of the corporation and is maintained with the official records of the corporation at the principal office of the corporation.